



Coconino County
Finance Department
Directors of Special Initiatives
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May 31, 2007

RE: DISTRICT COST ALLOCATION

Dear Hashknife Trail County Improvement District Member,

As most of you know, the road district has been at an impasse for over a year now with several property owners unwilling to provide rights-of-way given the cost of the project. Given that we've had very limited communication or interest in pursuing the district road improvements from district members in over nine months, the County will begin procedures to recover the costs spent on engineering the road district project unless the members decide to grant all required rights-of-way and to move ahead with construction prior to October 1, 2007.

The total cost for Hashknife Trail CID as of May 3, 2007 is \$65,488.61. According to state law, costs incurred by the Improvement District are distributed among all real property owners in the district according to their assessed property values.

For example, property owners in the district that own vacant lots will pay approximately \$2,000 for every \$100,000 of Full Cash Value of their property in order to recover the costs accrued to the district. This implies that a vacant lot with a Full Cash Value of \$160,000 will have an estimated tax bill of \$3,100. Property owners that have developed lots will pay approximately \$1,200 for every \$100,000 Full Cash Value of their property in order to recover the costs accrued to the district. This implies that a developed lot with a Full Cash Value of \$660,000 will have an estimated tax bill of \$8,100. Please note that the costs are purely estimates and are based on the date noted, and may change accordingly if further costs are incurred or if the assessed property values change. Furthermore, the tax estimates provided are ONLY for recovering the costs associated with the district and do NOT include your standard property and secondary taxes.

Notification to the County Assessor to recover the County's costs must take place no later than November 1, 2007 to collect the outstanding costs through next year's tax bills. The assessed costs will be shown on each property owner's property tax bill in 2008. Each district member is responsible for paying their portion of the assessed costs or a lien will be placed on your property as is done when property taxes are not paid.

The collection of the costs does not necessarily imply the termination of the Hashknife CID. At a future date, the district members can elect to revive the district if rights-of-way can be obtained at that time.

If you have any questions or comments, then please contact me at 928-779-6576 or my assistant, Eslir Musta at 928-679-7176. Thank you in advance for your cooperation.

Sincerely,

Lucinda Andreani
Director of Special Initiatives